

## Internal Revenue Service

## Department of the Treasury

Taxpayer Identification Number:

Form Number:

Person to Contact/ID Number:

Telephone Number:

Date:

Tax Year(s) Ended:

Tax Deficiency:

### **CERTIFIED MAIL**

Dear Sir or Madam:

Enclosed are two copies of our discrepancy adjustment report explaining why the amount of income tax you owe, for the tax year(s) indicated above, is subject to adjustment. We are proposing the adjustment after comparing the records of an employee benefit plan and items reported on your tax return. As required by law, we have sent a separate copy of this proposed notice to your spouse, if you were married.

If you agree with our proposed adjustments, please sign and date the enclosed Form 4549-E, *Income Tax Discrepancy Adjustments*. Please return one copy of Form 4549-E with your payment within 30 days from the date of this letter to the address listed herein. We have enclosed a return envelope for your convenience. If this is a joint return, both you and your spouse must sign the Form 4549-E. Please keep the other copy for your files.

If you do not agree with our proposed adjustment(s), you may either send any information that you want us to consider or you may appeal your case. The enclosed Publication 5, *Your Appeal Rights and How to Prepare a Protest If You Don't Agree*, explains how to appeal an Internal Revenue Service (IRS) decision. The enclosed Publication 1 includes information on your rights as a taxpayer, and the enclosed Publication 594 includes information on the IRS collection process. The enclosed Publication 504 includes information for individuals who filed a joint return during the year of the discrepancy adjustment but subsequently have become divorced or separated.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate can not reverse a legally correct tax determination, nor extend the time, as fixed by law, that you have to file a petition in the U.S. Tax Court. The Taxpayer Advocate can, however, see that a tax matter not resolved through normal channels, gets prompt and proper handling. You may call toll-free 1-877-777-4778 to request Taxpayer Advocate assistance.

If we do not hear from you within 30 days from the date of this letter, we will assume that the proposed adjustment(s) to your tax return are correct. You will then receive a notice of tax deficiency followed by a final bill for the amount owed. At that point you may still contest the decision in court if you believe you do not owe the additional tax.

Line 19 of Form 4549-E reflects a summary of taxes, penalties and interest due. Additionally, please note that the enclosed report contains a detailed computation of interest and penalties we believe you owe. Interest will continue to accrue until the deficiency is paid.

If you have any questions concerning this matter, please call the contact person at the telephone number shown in the heading of this letter. If you write, please include your telephone number and the best time for us to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Director, EP Examinations

Enclosure(s):  
Form 4549-E  
Publication. 1  
Publication 5  
Publication 504  
Publication 594  
Revenue Agent Report (Form 886-A – Explanation of Items)  
Return Envelope  
Interest Calculations  
Penalty Calculations (if applicable)